

# EXPORTS SNAPSHOT

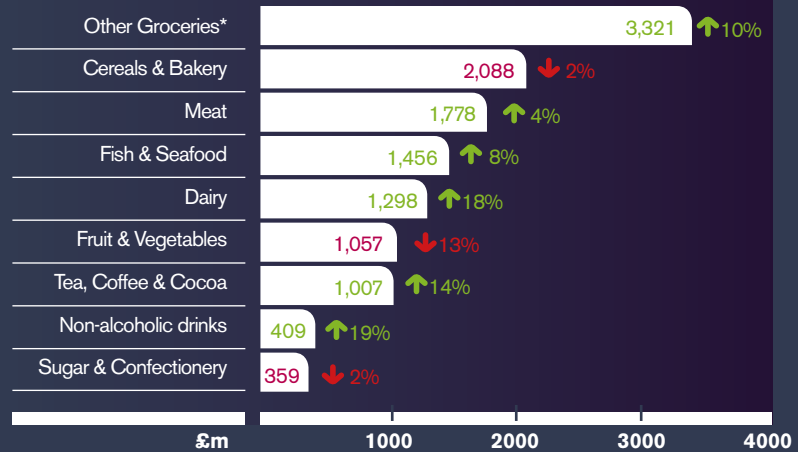
## January to December 2013

### KEY INDICATORS

	2012 (£Bn)	2013 (£Bn)	% change
Food & non-alcoholic drink	12.2	12.8	5.0
EU	9.3	9.5	3.0
Non-EU	2.9	3.3	11.5
EU % share	76.2	74.9	-1.3
Non-EU % share	23.8	25.1	1.3
Trade balance	-22.5	-24.6	9.1

\* Other Groceries includes fats/oils, preserved fruit/veg, fruit juice, sauces, ice cream, vinegar and other misc. products

### EXPORTS BY SECTOR



### Executive Summary

- Exports grew by 5% to £12.8bn
- Exports to non-EU markets (+11.5%) outperformed the EU (+3%) pushing the non-EU share up by 1.3%
- Including alcoholic drinks, total food and drink exports were £19.4bn, up 3.7% on 2012
- Exports of whisky (the UK's largest food and drink export) were the same as 2012 at £4.4bn
- The food and non-alcoholic drink trade balance increased by 9% to a deficit of £25bn as imports grew by 8%

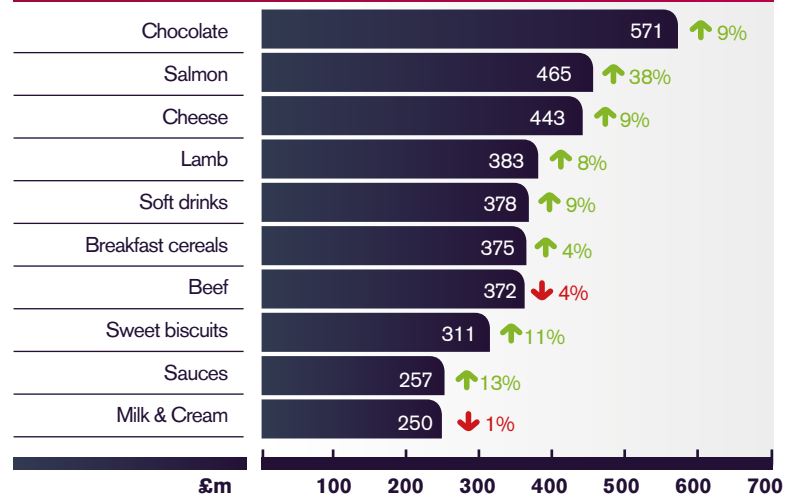
### What happened throughout 2013?

- The EU pulled out of recession in Q2 with +0.4% GDP growth. After a shaky Q3 (+0.1%), economic growth strengthened again in Q4 (+0.4%)
- Food and drink exports to the EU were closely correlated to its economic performance growing strongly in Q2 (+9%) and Q4 (+7%)
- Food and drink exports to non-EU markets grew by only 1% in Q1 but then experienced double digit growth throughout the rest of the year

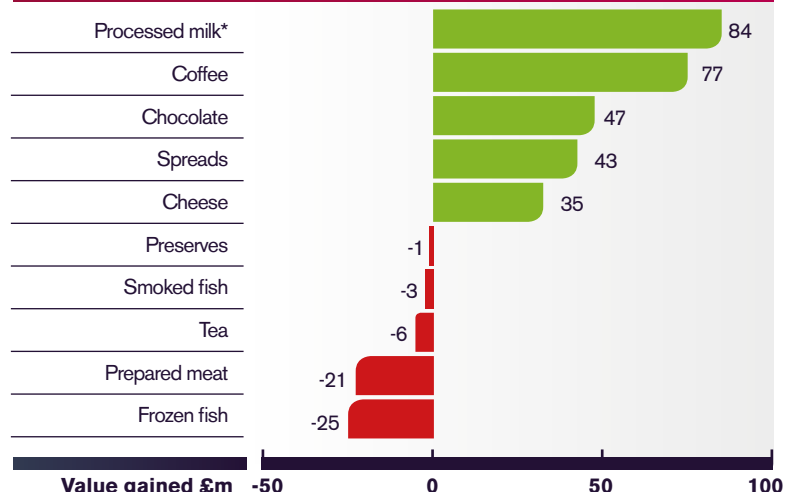
### Value added up globally/commodities up in non-EU

- Value added products performed well in both the EU (+5%) and non-EU (+6%)
- The top 5 best performing value added products generated gains of over £280m compared to falls of just under £60m from the worst performers
- Key food commodities including fish, dairy, meat, cereals, sugar and vegetables contributed a £120m increase in exports to non-EU markets. Commodity exports to the EU remained flat in 2013 versus 2012

### TOP PRODUCT CATEGORIES



### GOING UP AND DOWN



\* Concentrated or sweetened milk or cream

### TOP PERFORMING MARKETS

■ **China** +82% to £201m – Moving up to be the 11th largest market and second largest non-EU market. Pork, animal fat and salmon exports collectively added £70m in 2013. British Pork (+92%) and Scottish Salmon (+90%) alone contributed £33m

■ **Australia** +18% to £134m – Due to increases in chocolate (+49%), sweet biscuits (+11%), sugar confectionery (+43%) and coffee (+269%) adding £14m

■ **Hong Kong** +16% to £156m – Demand for UK meat and seafood remains strong, with lamb (+106%), crustaceans (+184%) and salmon (+162%) adding £16m

■ **South Africa** +13% to £103m – Saw a 100% increase in salmon, a 145% increase in ice cream and a 62% increase in prepared meat

■ **Saudi Arabia** +12% to £132m – The largest value gains came from the export of eggs (+£6m), sweet biscuits (+£3m), breakfast cereals (+£1.4m) and sauces (+£1m)

■ **Poland** +11% to £203m – Coffee (+500%), spreads (+54%) and chocolate (+55%) all grew strongly adding over £25m on 2012

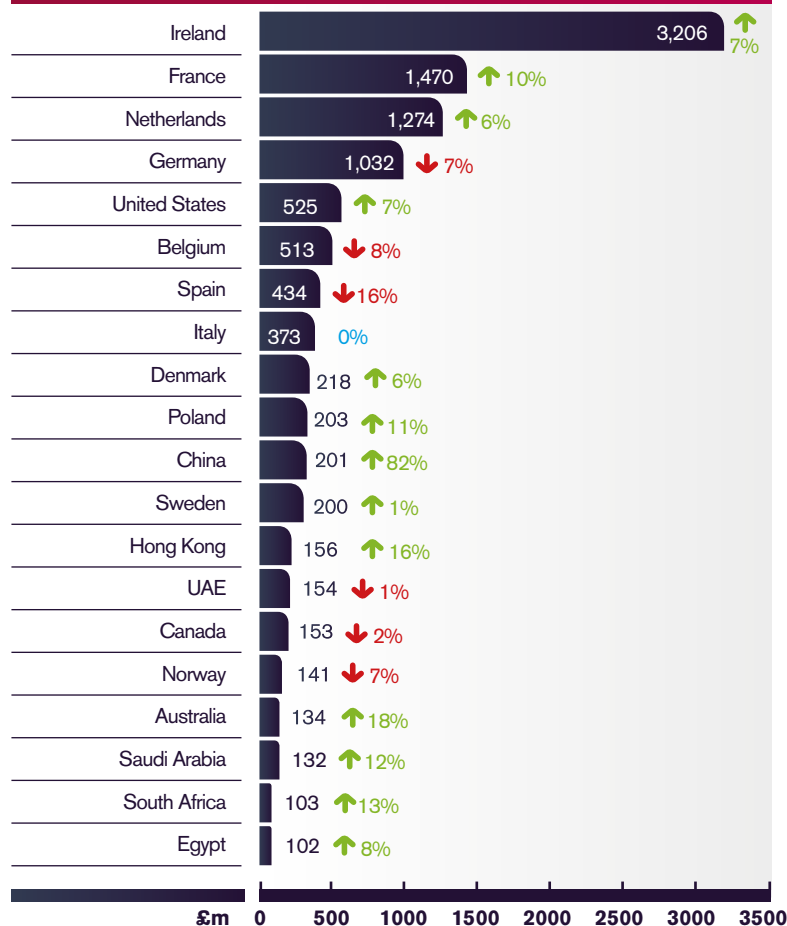
■ **France** +10% to £1,470m – Fresh salmon (+23%) and soft drinks exports doubled to £33m. Tea (+50%), sauces (+32%) and ice cream (+28%) also saw double digit gains

■ **Ireland** +7% to £3,206m – Over £35m of value gains to the UK's largest export market were driven by increases in milk and processed milk products. Chocolate, sauces, ice cream and cheese collectively contributed a further £55m

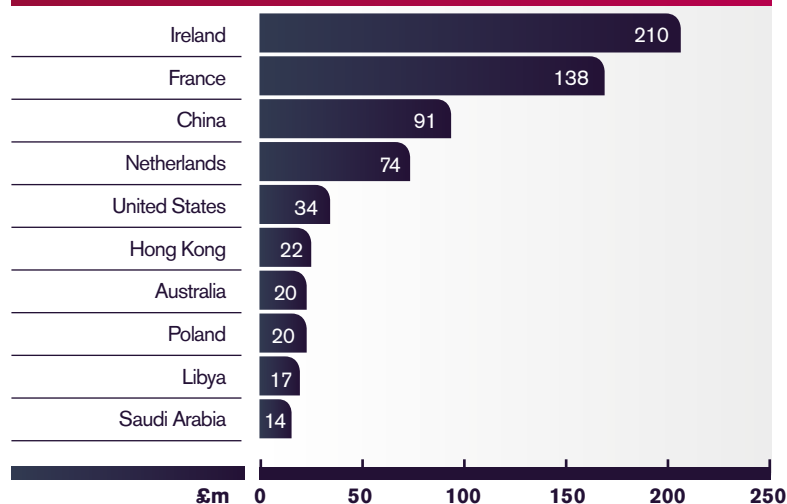
■ **United States** +7% to £525m – Largely driven by the appetite for Scottish Salmon exports which grew in value by £43m

■ **Denmark** +6% to £218m – The three products that grew the most by value were pork (+£5m), cheese (+£1.6m) and sweet biscuits (+£1.2m)

### TOP 20 MARKETS



### TOP 10 MARKETS (by overall value gained 2013/12)



### Top 10 value gains by product and market (EU)

1	Spreads to <b>Belgium</b>	<b>+£23m</b> to £52m
2	Coffee to <b>Germany</b>	<b>+£20m</b> to £43m
3	Processed milk* to <b>Ireland</b>	<b>+£20m</b> to £50m
4	Chocolate to <b>Ireland</b>	<b>+£16m</b> to £165m
5	Milk to <b>Ireland</b>	<b>+£16m</b> to £169m
6	Soft drinks to <b>France</b>	<b>+£16m</b> to £33m
7	Lamb to <b>France</b>	<b>+£15m</b> to £214m
8	Sauces to <b>Ireland</b>	<b>+£15m</b> to £85m
9	Ice cream to <b>Ireland</b>	<b>+£13m</b> to £43m
10	Coffee to <b>Poland</b>	<b>+£11m</b> to £13m

### Top 10 value gains by product and market (non-EU)

1	Fresh salmon to <b>US</b>	<b>+£43m</b> to £199m
2	Fresh salmon to <b>China</b>	<b>+£23m</b> to £50m
3	Lamb to <b>Hong Kong</b>	<b>+£10m</b> to £20m
4	Pork to <b>China</b>	<b>+£10m</b> to £20m
5	Chocolate to <b>Australia</b>	<b>+£7m</b> to £21m
6	Cheese to <b>US</b>	<b>+£6m</b> to £40m
7	Processed milk* to <b>China</b>	<b>+£6m</b> to £6m
8	Soft drinks to <b>Ghana</b>	<b>+£6m</b> to £14m
9	Breakfast cereals to <b>UAE</b>	<b>+£5m</b> to £16m
10	Sauces to <b>Norway</b>	<b>+£4m</b> to £10m

\* Concentrated or sweetened milk or cream



#### DORSET CEREALS

For Dorset Cereals, international sales is a fundamental part of the business and currently account for 14% of our total business. Being made in Britain is a huge selling point for Dorset Cereals and our great tasting premium cereals are continuing their strong international growth, with exports to UAE, one of the key markets, growing by 25% in 2012-13.

#### HAWKSHEAD RELISH COMPANY

We export our award-winning relishes, pickles and preserves and sauces to over 30 different countries in Europe and around the world and in 2014/15 expect to grow export sales further, focusing on the Middle East. Exports are a vital source of new business for our company and there is a huge market outside of the UK, providing opportunities to reach customers interested in quality handmade goods.

#### THORNTONS

Our latest half-year results show that international sales have grown from £4.1 million to £4.5 million. It is a small but important part of our business and it is seeing fantastic growth, with Australia becoming our biggest single international market.